Zoning Public Hearing **CITY OF AUSTIN** RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: Z-1 AGENDA DATE: Thu 03/09/2006

PAGE: 1 of 1

SUBJECT: C14-00-2062(RCA)(2) - Martens Zoning - Conduct a public hearing and approve a restrictive covenant amendment for the property located at 807 East 11th Street (Waller Creek Watershed). Planning Commission Recommendation: To approve the restrictive covenant amendment. Applicant: Steven Martens. Agent: David Armbrust. City Staff: Robert Heil, 974-2330.

Neighborhood Planning REQUESTING **DIRECTOR'S**

and Zoning DEPARTMENT: **AUTHORIZATION: Greg Guernsey**

RCA Serial#: 10718 Date: 03/09/06 Original: Yes Published: Fri 12/09/2005 Adjusted version published:

Disposition: Postponed~THU 03/09/2006

RESTRICTIVE COVENANT AMENDMENT REVIEW SHEET

CASE: C14-00-2062 (RCA 2)

P.C. DATE:

December 13, 2005

January 10, 2006 January 24, 2006

ADDRESS: 807 East 11th Street.

OWNER/APPLICANT: Steven Martens.

AGENT: David Armbrust

EXISTING ZONING: CS-MU-NCCD-NP

SUMMARY STAFF RECOMMENDATION:

Staff recommends the amendment of the Restrictive Covenant to modify paragraph five to clarify the obligations of the owner of the property with respect to affordable housing. Specifically, allowing the expansion of the off-site affordable housing provision to include zip codes 78702, 78722, 78721, and 78723.

PLANNING COMMISSION RECOMMENDATION:

December 13, 2005 - Postponement until January 10, 2006 at the request of the applicant.

January 10, 2006 — Postponed until January 24, 2006 at the request of the applicant to allow this case to be heard with two related cases

January 24, 2006 - APPROVED AMENDMENT TO THE RESTRICTIVE COVENANT; EXCEPT FOR THE 78724 ZIP CODE AREA. (Summary; see # 11) [J.REDDY; D.SULLIVAN 2ND] (9-0)

DEPARTMENT COMMENTS:

The existing restrictive covenant was signed in June 2001. The existing restrictive covenant addressed, among other aspects the provisions of affordable housing, as part of this project, both on and off-site. The amendment seeks to clarify the requirements of the owner regarding affordable housing.

On September 13, 2005, the Planning Commission approved an amendment to this restrictive covenant for the major portion of this tract. That amendment was approved by City Council on December 12, 2005. This amendment addresses one of the two remaining tracts covered by the RCA. (See attached). This amendment will be combined with RCA (3) and RCA (4) into one RCA with consistent standards across all the tracts of the property regardless of ownership.

EXISTING ZONING AND LAND USES:

| - | ZONING | LAND USES | | |
|-------|---|----------------------------------|--|--|
| Site | CS-MU-NCCD-NP | Undeveloped | | |
| North | CS & CS-1(NCCD-NP) | State offices, restaurant, salon | | |
| South | CS -MU-NCCD-NP, GR- MU-CO-NCCD-NP, SF- 3-H-NP | French Legation, Undeveloped, | | |
| East | SF-3-NP, MF-3-CO-NP | Church, Single Family Homes | | |
| West | CS | Downtown offices and hotel | | |

NEIGHBORHOOD PLANNING AREA: Central East Austin Neighborhood Plan Area

TIA: Is not required

WATERSHED: Waller Creek

DESIRED DEVELOPMENT ZONE: Yes

CAPITOL VIEW CORRIDOR: N/A

HILL COUNTRY ROADWAY: N/A

NEIGHBORHOOD ORGANIZATIONS:

- Guadalupe Neighborhood Development Corp.
- Guadalupe Assn. for an Improved Neighborhood
- El Concilio, Coalition of Mexican American Neigh. Assn.
- Austin Neighborhoods Council
- Austin Independent School District
- Sentral Plus East Austin Koalition (SPEAK)
- Organization of Central East Austin Neighborhoods (OCEAN)
- PODER People Organized in Defense of Earth & Her R SCHOOLS:

SCHOOLS (AISD)

Mathews Elementary School

O. Henry Middle School

Austin High School

CITY COUNCIL DATE:

ACTION:

December 15, 2005

Postponed to January 26, 2006

January 26, 2006

Postponed to February 16, 2006

February 16, 2006

Postponed to March 2, 2006

March 2, 2006

Postponed to March 9, 2006

March 9, 2006

ORDINANCE NUMBER:

CASE MANAGER: Robert Heil

PHONE: 974-2330 E-mail: robert,heil@ci.austin.tx.us



Proposed Modification to Robertson Hill Restrictive Covenant

Replace paragraph 5 with the following:

New Paragraph 5:

"Portions of the Property may be owned by different owners (each an "Owner") from time to time. At least ten percent (10%) of the residential units constructed by an Owner for each distinct project developed on a portion of the Property shall be Reasonably priced for the period of time that the Owner of such project giving rise to such requirement receives economic development grants from the City plus an additional five year period of time. At the option of the Owner of each such project, such Reasonably priced housing may be built totally on the Property ("onsite parcel") or five percent (5%) built onsite and five percent (5%) built or acquired and rehabilitated renovated on one or more offsite parcel(s) located within the 78722 and 78702 zip code areas (collectively, "offsite parcel"). Ownership of the onsite parcel and offsite parcel may become separate, but prior to any such conveyance separating the two, such Owner shall obtain written approval from the City of the entity to whom Owner is proposing to convey the offsite parcel and impose a restrictive covenant on the offsite tract that incorporates the terms of this restrictive covenant. Upon the recording of such restrictive covenant, each parcel (the onsite parcel and offsite parcel) shall thereafter stand on its own for all purposes and the default or breach of the restrictions on one parcel shall have no effect upon and be no breach of this restrictive covenant on the other parcel. A breach of the restrictive covenants required for additional parcels as to each distinct project shall have no effect upon and shall not be a breach with regard to any other distinct project on another portion of the Property. Prior to the date a certificate of occupancy is issued with respect to an onsite parcel or offsite parcel (in the case of the acquisition of an offsite parcel which is an existing unit, at the time of such acquisition), a Land Use Restriction Agreement (substantially in the form attached to this restrictive covenant as Attachment 1 for an onsite parcel or an offsite parcel which is newly constructed; substantially in the form attached to this restrictive covenant as Attachment 2 for an offsite parcel which is not newly constructed) shall be entered into between the Owner (in the case of an offsite parcel conveyed to an affiliate of the Owner or such other entity, the affiliate or other entity the offsite parcel is conveyed to) and the City and filed for record in the real property records of Travis County, Texas. In the event any conflict should arise between the terms of this restrictive covenant and the Land Use Restriction Agreement, the Land Use Restriction Agreement shall prevail, then this restrictive covenant.

"'Reasonably priced' is defined as onsite or newly constructed offsite housing available to a family whose earnings do not exceed eighty percent (80%) (for offsite housing which is not newly constructed, sixty-five percent [65%]) of the median family income for the Austin-San Marcos Metropolitan Statistical Area and who would normally spend no more than thirty percent

(30%) (for offsite housing which is not newly constructed, twenty-eight percent [28%]) of its income on housing expenses."

13. Rezoning:

C14-00-2062 RCA (4) - Robertson Hill

Location:

900-1000 San Marcos, Waller Creek Watershed, Central East Austin

NPA

Owner/Applicant:

Robertson Hill Land Ltd

Agent:

David Armbrust

Request:

AMENDMENT OF RESTRICTIVE COVENANT

Staff Rec.:

RECOMMENDED

Staff:

Robert Heil, 974-2330, Robert Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

APPROVED AMENDMENT TO THE RESTRICTIVE COVENANT; EXCEPT FOR THE 78724 ZIP CODE AREA. (Summary; see # 11)
[J.REDDY; D.SULLIVAN 2ND] (9-0)

14. Rezoning:

C14-05-0125 - 515 Post Road

Location:

515 Post Road, East Bouldin Creek Watershed, Dawson NPA

Owner/Applicant:

River City Engineering

Agent:

David B Holt

Request:

From SF-3 to NO-MU-CO-NP

Staff Rec.:

NOT RECOMMENDED

Staff:

. Robert Heil, 974-2330, Robert. Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

POSTPONED TO 2/28/06 (NEIGHBORHOOD)
[D.SULLIVAN; J.REDDY 2ND] (9-0)

15. Rezoning:

C14-05-0201 - 2100 Parker Lanc

Location:

2100 Parker Lane, Harper's Branch Creek Watershed, Parker Lane

NPA

Owner/Applicant:

FS Ventures (Jim Cummins)

Agent:

Urban Design (Laura Toups)
From SF-3 to SF-6

Request: Staff Rec.:

RECOMMENDED

Staff:

Robert, Heil, 974-2330, Robert. Heil@ci.austin.tx.us

Neighborhood Planning and Zohing

POSTPONED TO 02/14/06 (NEIGHBORHOOD)
[D.SULLIVAN: M.DEALEY 2ND] (9-0)

Facilitator: Sue Welch

Zoning Case No. C14-90-2062

RESTRICTIVE COVENANT

OWNER

ASN Company, LLC, a California limited liability company

ADDRESS

395 West Portal Avenue, San Francisco, CA 94127

CONSIDERATION

Ten and No/100 Dollars (\$1000) and other good and valuable consideration paid by the City of Austin to the Owner, the receipt and sufficiency of Which is acknowledged

PROPERTY

Seven Tracts of land out of Subdistrict 3 of the East 11th Street Neighborhood Conservation District, in the City of Ansim, more particularly described in Exhibit "A" strached and incorporated into this sovenant (the "Property")

WHEREAS, the Owner of the Property and the City of Austra-have agreed that the Property should be impressed with certain covenants and restrictions,

NOW, THEREFORE, it is declared that the Owner of the Property, for the consideration, shall hold, sell and convey the Property, subject to the following covenants and restrictions impressed upon the Property by this restrictive covenant. These covenants and restrictions shall run with the land, and shall be binding on the Owner of the Property, its heirs, successors, and sasigns

- Owner agrees to limit a transportation terminal use on Tracts 1 and 4 to a facility first is operated to provide public transportation to destinations within the Austin metropolitan area and that is managed for the public benefit.
- Within Tract 5, Owner shall provide a plaza or other open space area available for use by
 the public The open space shall be at least 3000 square feet
- The Owner agrees to provide benches, landscaping and other amemities associated with public plaza/open space referenced in Paragraph 2 above
- 4. Owner agrees to provide knocks or directional argus for area designations in the plaza/open space area of Tract 5 and within the Property at or near pedestrian areas
- At least ten percent of the residential units constructed by the Owner on the Property and within the 78722 and 78702 sip code areas ("off-site") shall be reasonably priced Ouehalf of the reasonably priced housing units shall be constructed on the Property and one-half shall be constructed off-site

"Reasonably priced" is defined as housing available to a family whose earnings do not exceed 80 percent of median family income and who would normally spend no more than 30 percent of its income on housing

- Owner agrees that the improvements similar to those set forth in the "Downtown Great Streets Master Plan" shall apply to the public streets within the Property and along both sides of San Marcos Street from East 9th Street to East 11th Street and along both sides of East 9th Street from San Marcos Street to IH-35
- If any person or entity shall violate or attempt to violate this agreement and covenant, it shall be lawful for the City of Austin to prosecute proceedings at law or in equity against such person or entity violating or attempting to violate such agreement or covenant, to prevent the person or entity from such actions, and to collect damages for such actions

Fage I of 3



- If any part of this agreement or covenant is declared invalid, by judgment or court order, the same shall in no way affect any of the other provisions of this agreement, and such remaining portion of this agreement shall remain in full effect
- If at any time the City of Austin fails to enforce this agreement, whether or not any violations of it are known, such failure shall not constitute a warver or estoppel of the right to enforce it
- This agreement may be modified, amended, or terminated only by joint action of both (a) a majority of the members of the City Council of the City of Austin, and (b) by the owner(s) of the Property subject to the modification, amendment or termination at the time of such modification, amendment or termination

| EXECUTED | this the | _7/4da | y of | JUNE | · | 2001 |
|----------|----------|--------|------|------|---|------|
| | | | | | | |

OWNER:

ASN Company, LLC, a California himited liability company

By Michael K Phillips, Trustee

APPROVED AS TO FORM

Assistant City Attorney
City of Austin

THE STATE OF CALIFORNIA

COUNTY OF THE FRANCISCO

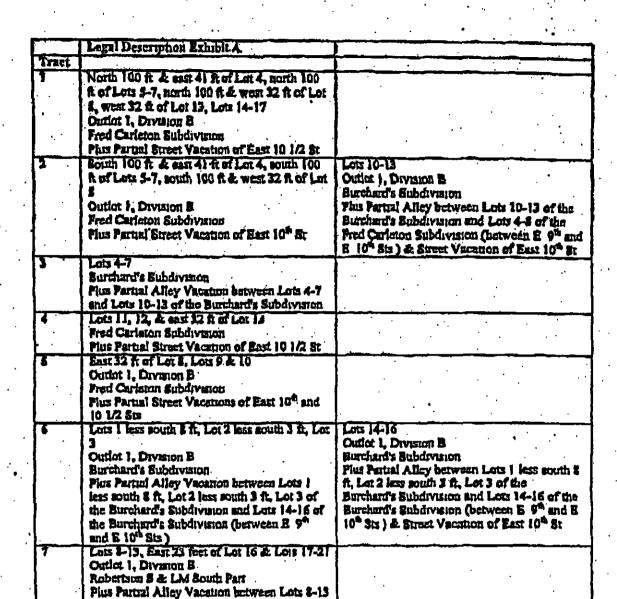
This instrument was acknowledged before me on this the III day of JUNE 2001, by Michael K Phillips, Trustee, on behalf of ASN Company, LLC, a California limited hability company

Notary Public, State of Texas CALNERINA

After Recording, Please Return to: City of Austra Department of Law F.O. Box 1546 Austra, Texas 78767-1546 Attention: Disna Minter, Legal Assistant



Tage 1 of 1



FILED AND RECORDED

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RECORDERS MEMORANDUM-As the jume of recordation this material was faund to be madequate for the back photographic reproduction, becomes of the back photographic reproduction, becomes of All Mocketus, additions and shanges were present at the true the materials was the transfer was the transfer was the transfer was the transfer.

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C14-05-0215 - Maverick-Miller House 10. Rezoning:

Location: 910 Poplar Street, Shoal Creek Watershed, West University NPA

Applicant: COA NPZD; Owner: B&H Enterprises, Inc. Owner/Applicant:

Tina Bui, COA NPZD Agent:

MF-4-HI-NP to LO-MU-HI-CO-NP Request:

Staff Rec.: RECOMMENDED

Tina Bui, 974.2275, tina.bui@ci.austin.tx.us

NPZD

APPROVED STAFF'S RECOMMENDATION FOR LO-MU-H-CO-NP DISTRICT ZONING; BY CONSENT.

[D.SULLIVAN; M.DEALEY 2ND] (9-0)

11. Rezoning: C14-00-2062 RCA(2) - Robertson Hill - Martens Zoning

Location: 807 E 11th St, Waller Creek Watershed, Central East Austin NPA

Owner/Applicant: Steve Martens Agent: David Armbrust

Postponements: Postponed from 12/13/05 (applicant); 1/10/06 (applicant) AMENDMENT OF RESTRICTIVE COVENANT Request:

Staff Rec.: RECOMMENDED

Staff: Robert Heil, 974-2330, Robert.Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

APPROVED AMENDMENT TO THE RESTRICTIVE COVENANT; EXCEPT FOR THE 78724 ZIP CODE AREA. [J.REDDY; D.SULLIVAN 2^{ND}] (9-0)

<u>SUMMARY</u>

This item was pulled from the Consent agenda.

Commissioner Cortez had a question about whether there was anybody from the neighborhood to speak on behalf of the neighborhood's view on this case.

There was no one present to speak on behalf of the neighborhood.

Commissioner Cortez - I just don't feel comfortable voting for it until I've heard something from the neighborhood. I would feel better about it if the Guadalupe Neighborhood Development Corporation was here or some note from SMART Housing, or somebody who can tell me what the impact of this will be on the affordable housing in those particular neighborhoods. It seems that we're exasperating an already big problem in those neighborhoods. I'm for having affordable housing spread throughout the City, but it seems like that particular piece of agreement was specifically crafted for those neighborhoods.

No presentation from staff was given.

Facilitator: Sue Welch

Commissioner Sullivan – What is the process that was used to select the other zip codes? Is this a routine thing, have we done this before and just not on the radar screen? Is this the first time for something like this?

Robert Heil, staff – This is a custom agreement, in that regard, it is not routine. As to the mechanism and how the negotiations went to expand from the two zip codes to the five zip codes, the applicant is more able to speak about that than I can.

Commissioner Cortez - Was there notification?

Mr. Heil – Yes, the neighborhood organizations within the area were notified, including the Guadalupe Neighborhood Corporation, PODER, OCEAN, El Conselio, GAIN, and others were notified. I know that Guadalupe was part of the conversations that had been going on; and I know that they have been in discussions with the applicant and I they had discussions about how they can participate in some of the provisions of the affordable housing.

Commissioner Riley - This amendment would go to Council?

Mr. Heil - That's correct.

Kris Kasper, applicant – Discussion with the neighborhoods was the reason for postponement last time; this has been postponed twice; we wanted to make sure because we hadn't heard anything, which kind of made us nervous. We have spoken with members of GAIN; we thought Mr. Rogers was going to be here on a separate issue tonight, but he isn't here. The way the restrictive covenant is drafted, a minimum of 5% has to remain within that project, 10% remains on-site or have the option to do 5% on-site and 5% off-site, but there will be an affordable component within that area. The reason that the additional zip codes were drafted was an affordability issue for them; that property is very difficult to buy right now. With regard to whether this is a common practice, it is not a common practice; the reason for us going back and amending this restrictive covenant is because in the original, this requirement was thrown in and no on knew what it meant, so we looked at it, got with the neighbors, got with the City and figured out what everybody wanted from this and went from there. That's how this process developed. W

Commissioner Riley - Requested a map with different zip codes.

A map was made available.

Commissioner Riley – The original agreement said that the outside parcels would have to be in the 78722 or 78702; and this amendment would add options of having it in 78721, 78723 and 78724.

Rance Klaus, Inner Urban Development – The zip codes are expanding to East Austin an opportunity; this development agreement was put in place before we got involved with the property; we made an acquisition last March, so we've inherited all the conditions and happy to comply with those. Our company is focused on urban development and redevelopment, we have a SMART Housing project under construction on South Congress, we were the first to cross the Ben White threshold and bring affordable housing in a larger scale context to South Austin. We've

Facilitator: Sue Welch

met with Mark Rodgers this morning to address this and cover some other items with him and these discussions have been very cooperative and enlightening. One reason we thought to expand the zip codes is that we don't want to be in competition with some of the existing vehicles of affordable housing. The other part of the process for us is that we're looking to develop the first mid rise affordable for sale product in East Austin. We have to provide at least 5% of our units as affordable units on our development, on-site; we then have to have an additional 5% that need to on-site or can be in the surrounding zip code.

Commissioner Riley – Adding 78721, 78723 & 78724 expands the radius, with 78724 being the biggest one, it extends all the way out beyond FM 873; the whole zip code is east of 183.

Mr. Klaus — The idea was, this project and this agreement is in East Austin property and what we have seen in the market place, you have projects going on that are extending that reach by definition and affordability in East Austin as a sense of community; so for us literally fronting I-35 where that first step crosses with the project with the affordability component really belongs in a much broader area, in our opinion. The neighborhood has been notified and there doesn't appear to be an issue.

Commissioner Riley - Does the 78724 zip code include some areas that are outside the City Limits?

Mr. Klaus - I wouldn't know the answer to that...

Commissioner Riley – It goes beyond Lake Walter E. Long and as I recall the City Limit is somewhere out in that area.

Mr. Klaus – We chose the zip code definition as expansion because that's what was in the agreement; we could have said miles or radius, instead of zip code.

Commissioner Riley - Would it be a problem to drop that zip code?

Mr. Klaus – I wouldn't think that's critical for us. We're simply looking at expanding for East Austin, if that goes beyond the scope and intent for the City, we're happy to eliminate that one.

Commissioner Riley – I just want to keep affordability close to the central City, my preference would be to drop that one.

Commissioner Cortez - I would suggest something in writing from the neighborhood associations.

Mr. Klaus - I can't make people come or say something that they don't oppose, but we will make the effort to get something in writing.

<u>FA VOR</u>

No Speakers

Facilitator: Sue Welch

OPPOSITION

No Speakers.

Commissioner Cortez and Reddy moved to close the public hearing.

MOTION

Commissioner Reddy — I'll move to amend the restrictive covenant with the exception of 78724.

Commissioner Sullivan - Second.

Commissioner Sullivan - We just need to keep affordable closer to central Austin.

Mr. Heil – This would be for all three items?

Commissioner Reddy - Yes.

Motion carried. (9-0)

C14-00-2062 RCA (3) - Robertson Hill - AMJRH Zoning 12. Rezoning:

811 E. 9th St; 808-818 E 8th St., Waller Creek Watershed, Central Location:

East Austin NPA

AMJRH Investments Owner/Applicant:

Agent:

David Armbrust

Postponed from 12/13/05 (applicant); 01/10/06 (applicant) Postponements:

AMENDMENT OF RESTRICTIVE COVENANT Request:

RECOMMENDED Staff Rec.:

Staff: Robert Heil, 974-2330, Robert.Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

APPROVED AMENDMENT TO THE RESTRICTIVE COVENANT; EXCEPT FOR THE 78724 ZIP CODE AREA. (Summary: see # 11) [J.REDDY; D.SULLIVAN 2ND] (9-0)

13. Rezoning:

C14-00-2062 RCA (4) - Robertson Hill

Location:

900-1000 San Marcos, Waller Creek Watershed, Central East Austin

NPA

Owner/Applicant: Robertson Hill Land Ltd

Agent:

David Armbrust

Request:

AMENDMENT OF RESTRICTIVE COVENANT

Staff Rec.:

RECOMMENDED

Staff:

Robert Heil, 974-2330, Robert Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

APPROVED AMENDMENT TO THE RESTRICTIVE COVENANT; EXCEPT FOR THE 78724 ZIP CODE AREA. (Summary; see # 11) IJ.REDDY: D.SULLIVAN 2ND1 (9-0)

14. Rezoning:

C14-05-0125 - 515 Post Road

Location:

515 Post Road, East Bouldin Creek Watershed, Dawson NPA

Owner/Applicant:

River City Engineering

Agent:

David B Holt

Request:

From SF-3 to NO-MU-CO-NP

Staff Rec.:

NOT RECOMMENDED

Staff:

Robert Heil, 974-2330, Robert Heil@ci.austin.tx.us

Neighborhood Planning and Zoning

POSTPONED TO 2/28/06 (NEIGHBORHOOD) [D.SULLIVAN;/J.REDDY 2ND] (9-0)

15. Rezoning:

C14-05-0201 - 2100 Parker Lane

Location:

2100 Parker Lane, Harper's Branch Creek Watershed, Parker Lane

NPA

Owner/Applicant:

FS Ventures (Jim Cummins)

Agent:

Urban Design (Laura Toups)

Request:

From SF-3/to SF-6

Staff Rec.:

RECOMMENDED

Staff:

Robert Heil, 974-2330, Robert Heil@ci.austin.tx.us

Neighborhood Planning and Zohing

POSTPONED TØ 02/14/06 (NEIGHBORHOOD) [D.SULLIVAN, M.DEALEY 2ND] (9-0)

Facilitator: Sue Welch

SECOND AMENDMENT OF RESTRICTIVE COVENANT FOR **ZONING CASE NO. C14-00-2062**

Owner:

Robertson Hill Land, Ltd., a Texas limited partnership

Address:

1400 Post Oak Blvd., Suite 500, Houston, Austin, Texas 77056

Owner:

AMJRH Investments, Ltd., a Texas limited partnership

Address:

3423 Bee Cave Rd., Bldg. B. Austin, Texas 78746

Owner:

Steven R. Martens, Trustee of the 2001 Property Trust Dated May 10, 2001

Address:

100 Congress Ave., Suite 1100, Austin, Texas 78701

City:

The City of Austin, a home-rule city, municipal corporation and political

subdivision of the State of Texas, in Travis County, Texas.

City Council:

The City Council of the City of Austin

Consideration:

Ten and No/100 Dollars (\$10.00) and other good and valuable

consideration paid by the Owner to the City of Austin, the receipt and

sufficiency of which is acknowledged.

WHEREAS, certain restrictions and covenants were imposed by the owner on property (the "Property") described as seven tracts of land in a restrictive covenant (the "Restrictive Covenant") recorded in Document No. 2001097088, of the Official Records of Travis County, Texas.

WHEREAS, Robertson Hill Land, Ltd., a Texas limited partnership ("Robertson"), amended certain restrictions on a portion of the property, Tract One (less Lot 17, Outlot 1, Division B, Fred Carleton Subdivision) through Tract Six (the "Six Tracts"), under Document No. 2001097088 of the Official Property Records of Travis County, Texas (the First Amendment of Restrictive Covenant").

WHEREAS, Robertson desires to amend the First Amendment of Restrictive Covenant

WHEREAS, Steven R. Martens ("Martens") as owner of Lot 17, Outlot 1, Division B, Fred Carleton Subdivision ("Lot 17") of the Property, and AMJRH Investments, Ltd., a Texas limited partnership ("AMJRH") as owner of Pract Seven ("Tract Seven") of the Property desire to amend the First Amendment of Restrictive Covenant as to its property, under this covenant.

the map or plat thereof a corded on Book 2 by 608 of the lead Property Records of Traves and, Texas

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WHEREAS, the Restrictive Covenant provided that the covenant could be modified, amended, or terminated by joint action of both (a) a majority of the members of the City Council of the City of Austin, and (b) by the owner(s) of the property subject to the modification, amendment or termination at the time of such modification, amendment or termination.

WHEREAS, the City Council and the current owners, Robertson, Martens, and AMJRH, (the "Current Owners") agree the First Amendment of Restrictive Covenant should be amended.

NOW, THEREFORE, for and in consideration of the premises and mutual promises, covenants, and agreement hereinafter set forth, the City of Austin and the Current Owners agree as follows:

1. As to the Six Tracts, Lot 17, and Tract Seven, [only], paragraph No. 5 is deleted in its entirety and no longer applies to the Six Tracts, Lot 17, and Tract Seven, and the following paragraph is substituted in its place:

| As to the Six Tracts, Lot 17, and Tract Seven, and the following paragraph is substituted in its place:

| As to the Six Tracts, Lot 17, and Tract Seven, and the following paragraph is substituted in its place:

Portions of the Property may be owned by different owners (each an "Owner") from time to time. At least ten percent (10%) of the residential units constructed by an Owner for each distinct project developed on a portion of the Property shall be Reasonably Priced for the period of time that the Owner of such project giving rise to such requirement receives economic development grants from the City plus an additional five year period of time. At the option of the Owner of each such project, such Reasonably Priced housing thay be built totally on the Property ("onsite parcel") or five percent (5%) built onsite and five percent (5%) built or acquired and rehabilitated [Apaymed] on one or more offsite parcel(s) located within the, 78722, 78721, 78723, and 78702 zip-code areas (collectively, "offsite parcel²). Ownership of the onsite parcel and offsite parcel may become separate, but prior to any such conveyance separating the two, such Owner shall obtain written approval from the City of the entity to which Owner is proposing to convey the offsite parcel and impose a restrictive covenant on the offsite tract that incorporates the terms of this restrictive covenant. Upon the recording of such restrictive covenant, each parcel (the onsite parcel and officite parcel) shall thereafter stand on its own for all purposes and the default or breach of the restrictions on one parcel shall have no effect upon and be no breach of this restrictive covenant on the other parcel. A breach of the restrictive covenants required for additional parcels as to each district project shall have no effect upon and shall not be a breach with regard to any other distinct project on another portion of the Property. Prior to the date a certificate of occupancy is issued with respect to an onsite parcel or offsite parcel (in the case of the acquisition of an offsite parcel which is an existing unit, at the time of such acquisition), a Land Use Restriction Agreement (substantially in the form attached to this restrictive covenant as Attachment 1 for an onsite parcel or an offsite parcel which is newly constructed; substantially in the form attached to this restrictive covenant as Attachment 2 for an offsite parcel which is not newly constructed) shall be entered into between the Owner (in the case of an offsite parcel conveyed to an affiliate of the Owner or such other entity, the affiliate or other entity the offsite parcel in conveyed to) and the City and filed for record in the real property records of Travis

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Following Cook

County, Texas. In the event any conflict should arise between the terms of this restrictive covenant and the Land Use Restriction Agreement, the Land Use Restriction Agreement shall prevail.

"Reasonably Priced" is defined as onsite or newly constructed offsite housing available to a family whose earnings do not exceed eighty percent (80%) (for offsite housing which is not newly constructed, sixty-five percent [65%]) of the median family income for the Austin-San Marcos Metropolitan Statistical Area and who would normally spend no more than thirty percent (30%) (for offsite housing which is not newly constructed, twenty-eight percent [28%]) of its income on housing expenses.

- 2. Except as expressly provided for in this Second Amendment of Restrictive Covenant (the "Second Amendment"), each and every one of the terms, conditions, and provisions of the Restrictive Covenant, as set forth in the Restrictive Covenant, shall continue in full force and effect on and after the effective date of this Second Amendment.
- 3. The City Manager, or her designee, shall execute, on behalf of the City, this Second Amendment for Zoning File No. C14-00-2062, as authorized by the City Council of the City of Austin. The Second Amendment shall be filed in the Official Public Records of Travis County, Texas.

| EXECUTED this the | day of | , 2006 |
|-------------------|--------|--------|
|-------------------|--------|--------|

CURRENT OWNERS:

Robertson Hill Land, Ltd., a Texas limited partnership

By: RHL GP, LLC, a Texas limited liability company, General Partner

By: Martin J. Fein. sole member

By: AMJ Holding, L.L.C.,
a Texas limited liability company,
General Partner

By:
Arthur J. Johnson,
Mansger

Steven R. Martens

Steven R. Martens,
Trustee of the 2001 Property Trust Dakot May 10, 200 (

CITY OF AUSTIN:

AMJRH Investments, Ltd., a Texas limited partnership

Laura J. Huffman, Assistant City Manager,

City of Austin

| THE STATE OF TEXAS | § |
|--|--|
| COUNTY OF TRAVIS | \$ \$ |
| , 2006, by M | scknowledged before me on this the day of fartin J. Fein, sole member of RHL GP LLC, a Texas limited |
| liability company, General Partr partnership. | ner, on behalf of Robertson Hill Land Ltd, a Texas limited |
| | Notary Public, State of Texas |
| THE STATE OF TEXAS | § . |
| COUNTY OF TRAVIS | \$ \$ \$ |
| limited liability company, Gene | acknowledged before me on this the day of rthur J. Johnson, Manager of AMJ Holdings., L.L.C., a Texas ral Partner of AMJRH Investments, Ltd., a Texas limited ed hability company and the limited partnership. |
| | Notary Public, State of Texas |
| THE STATE OF TEXAS | § § |
| COUNTY OF TRAVIS | \$ \$ |
| , 2006, by St | cknowledged before me on this the day of even R. Martens, Trustee of the 2001 Property Trust, on behalf |
| of the Trust. | |
| | Notary Public, State of Texas |

| THE S | STAT | E OF TEXAS | ; § | | |
|--------|--------|------------|-----------------------|-------------|---------------|
| COU | NTY O | F TRAVIS | § | | |
| | This | | was acknowledge | on this the | day of |
| Austin | , a mu | | ation, on behalf of t | | or me city or |
| | | | • | | |
| | | | | | |
| | | | | | |

AFTER RECORDING RETURN TO:

City of Austin Law Department P.O. Box 1088 Austin, Texas 78767 Attn: Diana Minter, Paralegal

Exhibit "A"

All of that certain tract or parcel of land being Lots 8, 9, 10, 11, 12, 13, 18, 19, 20, and 21, and a portion of Lot 17, SARAH AND LYDIA M ROBERTSON'S SUBDIVISION OF A PART OF OUTLOT NO. 1, DIVISION "B," a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 2, Page(s) 232, of the Plat Records of Travis County, Texas, and a portion of the 20-foot alley in said Sarah and Lydia M. Robertson's Subdivision as vacated by ordinance recorded in Volume 11168, Page 1376, of the Real Property Records of Travis County, Texas, said tract being more particularly described by metes and bounds shown on Exhibit "A-1" attached hereto and made a part hereof.

351269-1

EXHIBIT A-1

1.620 ACRES INTERURBAN DEVELOPMENT ROBERTSON HILL TRACT FN.NO. 05~161(MJJ) MARCH 17, 2005 BPI JOB NO. 1534-01.92

DESCRIPTION

OF A 1.620 ACRE TRACT OR PARCEL OF LAND SITUATED IN THE CITY OF AUSTIR, TRAVIS COUNTY, TEXAS, BEING LOTS 8, 9, 10, 11, 12, 13, 18, 19, 20, AND 21 AND A PORTION OF LOT 17 SARAH AND LYDIA M. ROBERTSON'S SUBDIVISION OF A PART OF CUTLOT NO. 1 DIVISION "B", A SUBDIVISION OF RECORD IN VOLUME 2, PAGE 232 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN ALLEY VACATION BY CITY ORDINANCE OF RECORD IN VOLUME 11168, PAGE 1376 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; SAID 1.620 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

REGIMENCE, at a 1/2 inch iron rod found at the intersection of the easterly right-of-way line of Interstate Highway 35 (R.O.W. Varies), with the northerly right-of-way line of East 8th Street (60' R.O.W.), same being the southwesterly corner of said Lot 13 and hereof;

THENCE, leaving the northerly right-of-way of East 8th Street, along the easterly right-of-way line of Interstate Highway 35, being a portion of the westerly line hereof, the following three (3) courses and distances:

- N19*19'29"E, along the westerly line of said Lot 13, a distance of 127.99 feet to a 1/2 inch iron rod found at the northwesterly corner of said Lot 13;
- 2) S69*23'17*E, along a portion of the northerly line of said Lot 13, a distance of 22.04 feet to a 1/2 inch iron pipe found being the southwesterly corner of said Alley Vacation;
- 3) N18°22'54"E, leaving the northerly line of said Lot 13, along the westerly line of said Alley Vacation, a distance of 9.93 feet to a PK Nail found at the southwesterly corner of that certain tract of land conveyed to Sabas P. Lopez and wife Elena Sandoval Lopez by deed of record in Volume 1488, Page 367 of said Real Property Records, from which a 1/2 inch iron rod found bears N23°29'44"E, a distance of 10.00 feet;

THENCE, 869°28'16"B, leaving the easterly right-of-way line of Interstate Highway 35, along a portion of the irregular northerly line of said Alley Vacation being a portion of the westerly line hereof, a distance of 57.59 feat to a 1/2 inch iron rod found at the southeasterly corner of said Lopes Tract, from which a 1/2 inch iron rod found in the easterly line of said Lopez Tract, being the northwesterly corner of said Alley Vacation, bears N20°41'01"E, a distance of 9.84 feet;

Exhibit A-1, Page 1 of 2

FN. NO. 05-161 (MJJ) MARCH 17, 2005 PAGE 2 of 2

THENCE, N19°23'42"E, along the easterly line of said Lopez Tract, being a portion of the westerly line hereof, a distance of 138.89 feet to a PK Nail with shiner found for the northeasterly corner of said Lopez Tract, being in the northerly line of said Lot 17, same being the southerly right-of-way line of East 9th Street (R.O.W. Varies) and the northwesterly corner hereof;

THENCE, \$69°21'50°E, along the southerly right-of-way line of East 9th Street, being the northerly lines of said Lots 18, 19 20, 21 and a portion of said Lot 17 for the northerly line hereof, a distance of 216.00 feet to a 1/2 inch iron rod with cap found at the southwesterly corner of the intersection of East 9th Street and Embassy Street (30° R.O.W.), being the northeasterly corner of said Lot 21 and hereof;

THENCE, S19*17'51"W, leaving the southerly right-of-way line of East 9th Street, along the westerly right-of-way line of Embassy Street, being the easterly lines of said Lot 21, said Alley Vacation and said Lot 8 for the easterly line hereof, a distance of 275.61 feet to a 1/2 inch iron rod with cap found at the northwesterly corner of the intersection of Embassy Street and East 8th Street, being the southeasterly corner of said Lot 8 and hereof;

TRENCE, N69°25'37°W, leaving the westerly right-of-way line of Embassy Street, along the northerly right-of-way line of East 8th Street, being the southerly lines of said Lots 8, 9, 10, 11, 12 and 13 and hereof, a distance of 295.76 feet to the POINT OF EXGINAING, containing an area of 1.620 acres (70,548 sq. ft.), more or less, within these mates and bounds.

I, MARK J. JEZISEK, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE ABOVE DESCRIPTION WAS DETERMINED BY A SURVEY MADE ON THE GROUND BY ME OR UNDER MY DIRECTION AND SUPERVISION. A LAND TITLE SURVEY WAS PREPARED TO ACCOMPANY THIS DESCRIPTION.

BURY & PARTNERS, INC. ENGINEERS-SURVEYORS 3345 BEE CAVE ROAD AUSTIN, TRXAS 78746

Exhibit A-1, Page 2 of 2

R.P.L.S. NO. 5267